AGRICULTURAL EXTENSION SERVICE
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What Effect Will the Soil Bank Have on Your Farm

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There are a great number of possibilities the individual farmer could consider in attempting to determine whether or not he should participate in the soil bank program and how he should participate.

In general it is suggested that you approach these questions in about the same fashion as you approach other management decisions you have to make. One approach is to "budget" the most likely possiblilities and on the basis of these comparisons make your decision. To help you use this procedure the attached form has been prepared. You may want to modify some of the details to suit your special needs. To help you see how this budget work sheet can be used a few examples have been worked out and attached. It is not intended that these figures show anything more than how the work sheet can be used. It is not intended to indicate that the soil bank is "good" for all farms or "bad" for all farms. It is only intended as a guide to help you decide whether it can be used profitably in your situation or how it can best be used.

The assumptions as to farm size and cropping plan used in these illustrations accompany each example.

BUT BE SURE YOU CHECK WITH your county ASC office to learn of possibilities in your county and in your situation. Expecially check:

1) What your acreage allotment soil bank corn base and soil bank base are and
2) what payment rates, support levels and other regulations are in effect.

These are changed from time to time.

Situation 1

SUGGESTED WORKSHOP

This farmer has the following Cropping program 55 acres corn, 20 acres soybeans, 50 acres oats, 25 acres alfalfa Brome hay. His local ASC office has determined the following:

Soil depleting crop land	125 A
Soil Bank corn base	65 A
Corn acreage allotment	55 A

Thus this farmer has complied with his corn acreage allotment and is eligible for a non-recourse government loan on his corn at $1.42/bu. This farmer wants to know if it will pay for him to put 10 acres of his corn acreage in the Soil bank acreage reserve. Assume the acreage reserve payment for this farm was set at $40.00/Acre.

Plan I Value of Crop Production -- if you continue present operation							
CROPS	ACRES	YIELD per acre	TOTAL PROD.	OPERATOR'S SHARE		LABOR HOURS	
				Price	Value	Per A.	Total
Corn (husked)	55	60	3300	$ 1.42	$4686.	7	
Soybeans	20	20	400	2.05	820.	5	
Oats	50	40	2000	.60	1200.	5	
Wheat						5	
						5	
Alfalfa-Br. hay	25	2	50	18.00	900.	6	
Corn Silage						10	
						10	
TOTAL CROP		xxxxx	xxxxx	xxxxx	$7606.	xxxxx	

Plan II Value of Crop Production -- If you:

(a) comply with acreage allotments
(b) participate in the acreage reserve
(c) participate in the conservation reserve
(d) do not participate in a Govt. program

CROPS	ACRES	YIELD per acre	TOTAL PROD.	OPERATOR'S SHARE		LABOR HOURS	
				Price	Value	Per A.	Total
Corn (husked)	45	60	2700	$1.42	$3834.	7	
Soybeans	20	20	400	2.05	820.	5	
Oats	50	40	2000	.60	1200.	5	
Wheat						5	
						5	
Alfalfa-Br. hay	25	2.0	50	18.00	900.	6	
Corn Silage						10	
						10	
Soil Bank income	10			40.00	400.		
TOTAL CROPS		xxxxx	xxxxx	xxxxx	7154.	xxxxx	

Difference in value of crop production under Plan a, b, c, or d

(~~increase~~ decrease) - 452

Difference in Costs -- if you change your program in Plan I to the program in Plan II

Some costs will increase

Item	Kind	Amount	Price	Cost
Seed Rye Cover	Rye lbu.	10 bu.	1.15	11.50
Fertilizer				
Gas, oil, etc.			1.20/A	12.00
Custom work				

Total cost 23.50

Less Government Share (ACP, etc.) _____

Total increased cost your share 23.50

Some costs will decrease

Item	Kind	Amount	Price	Cost
Seed	Corn	80	$ .21	$16.80
200# Fertilizer 125#	5-20-20 33-0-0	2000 1250	4.00 5.00	80.00 62.50
Insecticides				
Gas, oil, etc.			2.80/A	28.00
Custom work				
Hired labor				
Crop Storage				
Other				

Total decrease in cost 187.30

Total change in costs (~~increase~~, decrease) - 163.80

Change in income (~~increase~~, decrease) - 288.20

Change in labor required _____

Other effects which should be considered:

Contribution to surplus reduction.....

Changes in Livestock Program.....

Reduced risk.....

Change in investment.....

Increased conservation and fertility.....

Change in value of the real estate.....

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Situation 2

Since this farmer is already within corn acreage allotment and 10 acres below his 65 acre Soil bank corn base he can put land in the acreage reserve from other cropland. It would be logical to take this acreage from oats. Then how does his income compare.

Plan I Value of Crop Production -- if you continue present operation							
CROPS	ACRES	YIELD per acre	TOTAL PROD.	OPERATOR'S SHARE		LABOR HOURS	
				Price	Value	Per A.	Total
Corn (husked)	55	60	3300	$ 1.42	$4686.	7	
Soybeans	20	20	400	2.05	820.	5	
Oats	50	40	2000	.60	1200.	5	
Wheat						5	
						5	
Alfalfa-Br. hay	25	2	50	18.00	900.	6	
Corn Silage						10	
						10	
TOTAL CROP		xxxxx	xxxxx	xxxxx	$7606.	xxxxx	

Plan II Value of Crop Production -- if you:

(a) comply with acreage allotments
(b) participate in the acreage reserve
(c) participate in the conservation reserve
(d) do not participate in a Govt. program

CROPS	ACRES	YIELD per acre	TOTAL PROD.	OPERATOR'S SHARE		LABOR HOURS	
				Price	Value	Per A.	Total
Corn (husked)	55	60	3300	$ 1.42	4686	7	
Soybeans	20	20	400	2.05	820	5	
Oats	40	40	2000	.60	1200	5	
Wheat						5	
						5	
Alfalfa-Br. hay	25	2	50	18.00	900	6	
Corn Silage						10	
						10	
Soil Bank income	10			40.00	400		
TOTAL CROP		xxxxx	xxxxx	xxxxx	8006	xxxxx	

Difference in value of crop production under Plan a, b, c, or d

(increase ~~decrease~~) + $400

Difference in Costs -- if you change your program in Plan I to the program in Plan II

Some costs will increase

Item	Kind	Amount	Price	Cost
Seed	Rye 1 bu.	10	1.15	11.50
Fertilizer				
Gas, oil, etc.			1.20/A	12.00
Custom work				

Total cost 23.50

Less Government Share (ACP, etc.) _____

Total increased cost you share 23.50

Some costs will decrease

Item	Kind	Amount	Price	Cost
Seed	Oats 2 bu.	20	.60	12.00
Fertilizer				
Insecticides				
Gas, oil, etc.			2.00	20.00
Custom work				
Hired labor				
Crop Storage				
Other				

Total decrease in cost 32.00

Total change in costs (increase, ~~decrease~~) + 8.50

Change in income (increase, ~~decrease~~) + 391.50

Change in labor required

Other effects which should be considered:

Contribution to surplus reduction.....

Reduced risk .....

Change in investment .....

Increased conservation and fertility .....

Change in value of the real estate.....

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Situation 3

This farmer has the following cropping program: 75 acres corn, 50 acres oats, 25 acres alf-Brome hay. His local ASC office has determined the following:

Soil depleting cropland 125A

Soil bank corn base 65A

Corn acreage allotment 55A

Thus, this farmer has not complied with his corn acreage allotment and is not eligible for a non-recourse government loan on his corn. Will it pay him to cut corn acreage to his corn acreage allotment and be eligible for the $1.42 support? In this case he can put 10 acres in Beans. This reduces corn acreage to the 65A Soil bank corn base. Then he can take 10 acres out of this acreage and put in acreage reserve and draw the payment, set at $40.00 per acre. This reduces his corn acreage to 55 acres and makes him eligible for the $1.42 support program.

Plan I Value of Crop Production -- if you continue present operation							
CROPS	ACRES	YIELD per acre	TOTAL PROD.	OPERATOR'S SHARE		LABOR HOURS	
				Price	Value	Per A.	Total
Corn (husked)	75	60	4500	$ 1.25	$5626.	7	
Soybeans	—					5	
Oats	50	40	2000	.60	1200.	5	
Wheat						5	
_____						5	
Alfalfa-Br. hay	25	2.0	50	18.00	900.	6	
Corn Silage						10	
_____						10	
TOTAL CROP		xxxxx	xxxxx	xxxxx	$7725.	xxxxx	

Plan II Value of Crop Production -- If you:

(a) comply with acreage allotments

(b) participate in the acreage reserve

(c) participate in the conservation reserve

(d) do not participate in a Govt. program

CROPS	ACRES	YIELD per acre	TOTAL PROD.	OPERATOR'S SHARE		LABOR HOURS	
				Price	Value	Per A.	Total
Corn (husked)	55	60	3300	$ 1.42	$4686.	7	
Soybeans	10	20	200	2.05	410.	5	
Oats	50	40	2000	.60	1200.	5	
Wheat						5	
						5	
Alfalfa-Br. hay	25	2.0	50	18.00	900.	6	
Corn Silage						10	
						10	
Soil Bank income	10			40.00	400.		
TOTAL CROPS	xxxxx	xxxxx	xxxxx	xxxxx	$7596.	xxxxx	

Difference in value of crop production under Plan a, b, c, or d

(increase, ~~decrease~~) + 129

Difference in Costs -- if you change your program in Plan I to the program in Plan II

Some costs will increase

Item	Kind	Amount	Price	Cost
Seed	Rye	10 bu.	1.15	11.50
Fertilizer	Beans	10 bu.	2.05	20.50
Gas, oil, etc.			2.00 1.20/A	20.00 12.00
Custom work				

Total cost 64.00

Less Government Share (ACP, etc.)

Total increased cost your share 64.00

Some costs will decrease

Item	Kind	Amount	Price	Cost
Seed	Corn	160#	.21	33.60
Fertilizer 200	5-20-20	4000	4.00	160.00
Fertilizer 125	33-0-0	2500	5.00	125.00
Insecticides				
Gas, oil, etc.			2.80	56.00
Custom work				
Hired labor				
Crop Storage				
Other				

Total decrease in cost 374.60

Total change in costs (~~increase~~, decrease) - 310

Change in income 439

Change in labor required

Other effects which should be considered:

Contribution to surplus reduction .....

Reduced risk .....

Change in investment .....

Increased conservation and fertility .....

Change in value of real estate .....

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